

## CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1195

**Citations Affected:** IC 6-1.1; IC 6-2.5; IC 6-3; IC 21-2; IC 36-7-26.

**Synopsis:** Tax and budget matters. Establishes the application filing period for certain property tax deductions and the homestead credit with respect to certain mobile homes and manufactured homes. Permits assessing officials to receive a per diem and a mileage allowance for attending training sessions before taking office. Permits the board of trustees of the South Bend Community Schools to adopt a resolution returning to a calendar year budget cycle. Provides that the resolution may be rescinded. Updates population parameters to reflect changes in the 2000 decennial census. Specifies circumstances under which a sales tax return does not need to be filed each month. Updates references in the law to the Internal Revenue Code to refer to the version of the Internal Revenue Code as amended through January 1, 2002. Allows \$1,000,000 of the net increment of sales taxes remitted within an economic development project district to be paid to the city of South Bend each year that the economic development project district exists in the city. Allows additional uses of the increment in South Bend. (This conference committee report: (1) removes provisions extending the economic development for a growing economy (EDGE) credit to job retention; (2) adds provisions concerning the increment of sales taxes remitted in an economic development project district in the city of South Bend; and (3) reconciles conflicts with SEA 357.)

**Effective:** Upon passage; April 1, 2002 (retroactive); January 1, 2002 (retroactive); January 1, 2003.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1195 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1       Page 1, line 1, delete "P.L.291-2001," and insert "SEA 357-2002,
- 2       SECTION 106,".
- 3       Page 1, line 2, delete "SECTION 130,".
- 4       Page 1, line 6, delete "state board of tax commissioners,".
- 5       Page 1, line 7, reset in roman "department of local government
- 6       finance,".
- 7       Page 2, line 41, delete "P.L.291-2001," and insert "SEA 357-2002,
- 8       SECTION 108,".
- 9       Page 2, line 42, delete "SECTION 134,".
- 10       Page 3, line 4, delete "state board of tax".
- 11       Page 3, line 5, delete "commissioners,".
- 12       Page 3, line 5, reset in roman "department of local government
- 13       finance,".
- 14       Page 5, line 11, delete "P.L.291-2001," and insert "SEA 357-2002,
- 15       SECTION 109,".
- 16       Page 5, line 12, delete "SECTION 140,".
- 17       Page 5, line 16, delete "state board of tax commissioners,".
- 18       Page 5, line 17, reset in roman "department of local government
- 19       finance,".
- 20       Page 5, line 21, delete "he" and insert "the veteran".
- 21       Page 5, line 35, delete "his".
- 22       Page 5, line 39, delete "he" and insert "the individual".

- 1 Page 5, line 41, delete "state board of tax".
- 2 Page 5, line 42, delete "commissioners".
- 3 Page 5, line 42, reset in roman "department of local government
- 4 finance".
- 5 Page 7, line 14, delete "ADDED BY P.L.178-2001," and insert
- 6 "AMENDED BY SEA 357-2002, SECTION 149,".
- 7 Page 7, line 15, delete "SECTION 2,".
- 8 Page 7, delete line 18.
- 9 Page 7, line 19, delete "(110,000)".
- 10 Page 7, line 19, reset in roman "one hundred five thousand (105,000)
- 11 but less than one".
- 12 Page 7, reset in roman line 20.
- 13 Page 7, line 34, delete "state board of tax".
- 14 Page 7, line 35, delete "commissioners".
- 15 Page 7, line 35, reset in roman "department of local government
- 16 finance".
- 17 Page 8, line 22, delete "P.L.125-1999," and insert "SEA 357-2002,
- 18 SECTION 198,".
- 19 Page 8, line 23, delete "SECTION 2,".
- 20 Page 8, line 26, delete "state board of tax".
- 21 Page 8, line 27, delete "commissioners,".
- 22 Page 8, line 27, reset in roman "department of local government
- 23 finance,".
- 24 Page 13, delete lines 11 through 42.
- 25 Delete page 14 through 17.
- 26 Page 18, delete lines 1 through 30.
- 27 Page 18, line 31, delete "P.L.178-2001," and insert "SEA 357-2002,
- 28 SECTION 426,".
- 29 Page 18, line 32, delete "SECTION 5,".
- 30 Page 18, delete line 35.
- 31 Page 18, line 36, delete "(110,000)".
- 32 Page 18, line 36, reset in roman "one hundred five thousand
- 33 (105,000) but less than one".
- 34 Page 18, line 37, reset in roman "hundred twenty thousand
- 35 (120,000)".
- 36 Page 19, line 5, delete "ninety thousand (90,000) but".
- 37 Page 19, line 6, delete "less than one hundred ten thousand
- 38 "(110,000)".
- 39 Page 19, line 6, reset in roman "one hundred five".
- 40 Page 19, reset in roman line 7.
- 41 Page 19, line 8, reset in roman "(120,000)".
- 42 Page 19, line 18, delete "state board of tax commissioners".
- 43 Page 19, line 18, reset in roman "department of local".
- 44 Page 19, line 19, reset in roman "government finance".
- 45 Page 20, line 11, delete "state board of tax commissioners".
- 46 Page 20, line 12, reset in roman "department of local government
- 47 finance".
- 48 Page 20, line 14, delete "state board of tax commissioners".
- 49 Page 20, line 15, reset in roman "department of local government
- 50 finance".
- 51 Page 20, line 17, delete "state board of tax".

- 1 Page 20, line 18, delete "commissioners".
- 2 Page 20, line 18, reset in roman "department of local government
- 3 finance".
- 4 Page 20, line 20, delete "state board of tax commissioners".
- 5 Page 20, line 20, reset in roman "department of local".
- 6 Page 20, line 21, reset in roman "government finance".
- 7 Page 20, line 35, delete "state board of tax commissioners".
- 8 Page 20, line 35, reset in roman "department of local government".
- 9 Page 20, line 36, reset in roman " finance".
- 10 Page 20, line 42, delete "P.L.178-2001," and insert "SEA 357-2002,
- 11 SECTION 442,".
- 12 Page 21, line 1, delete "SECTION 6,".
- 13 Page 21, line 4, delete "ninety thousand (90,000) but less than one
- 14 hundred ten thousand".
- 15 Page 21, line 5, delete "(110,000)".
- 16 Page 21, line 5, reset in roman "one hundred five thousand (105,000)
- 17 but less than one".
- 18 Page 21, line 6, reset in roman "hundred twenty thousand
- 19 (120,000),".
- 20 Page 21, line 14, delete "ninety thousand".
- 21 Page 21, line 15, delete "(90,000) but less than one hundred ten
- 22 thousand (110,000)".
- 23 Page 21, line 15, reset in roman "one".
- 24 Page 21, reset in roman line 16.
- 25 Page 21, line 17, reset in roman "thousand (120,000)".
- 26 Page 21, line 25, delete "state board of tax commissioners".
- 27 Page 21, line 25, reset in roman "department of local".
- 28 Page 21, line 26, reset in roman "government finance".
- 29 Page 21, between lines 37 and 38, begin a new paragraph and insert:
- 30 "SECTION 24. IC 36-7-26-1, AS AMENDED BY P.L.291-2001,
- 31 SECTION 200, IS AMENDED TO READ AS FOLLOWS
- 32 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 1. This chapter
- 33 applies to the following:
- 34 (1) A city having a population of more than seventy-five thousand
- 35 (75,000) but less than ninety thousand (90,000).
- 36 (2) A city having a population of more than ~~ninety thousand~~
- 37 ~~(90,000) but less than one hundred ten thousand (110,000): one~~
- 38 **hundred five thousand (105,000) but less than one hundred**
- 39 **twenty thousand (120,000).**
- 40 (3) A city having a population of more than one hundred fifty
- 41 thousand (150,000) but less than five hundred thousand (500,000).
- 42 (4) A city having a population of more than one hundred twenty
- 43 thousand (120,000) but less than one hundred fifty thousand
- 44 (150,000).
- 45 SECTION 25. IC 36-7-26-23, AS AMENDED BY P.L.291-2001,
- 46 SECTION 202, IS AMENDED TO READ AS FOLLOWS
- 47 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 23. (a) Before
- 48 the first business day in October of each year, the board shall require
- 49 the department to calculate the net increment for the preceding state
- 50 fiscal year. The department shall transmit to the board a statement as
- 51 to the net increment in sufficient time to permit the board to review the

1 calculation and permit the transfers required by this section to be made  
2 on a timely basis.

3 (b) There is established a sales tax increment financing fund to be  
4 administered by the treasurer of state. The fund is comprised of two (2)  
5 accounts called the net increment account and the credit account.

6 (c) On the first business day in October of each year, that portion of  
7 the net increment calculated under subsection (a) that is needed:

8 (1) to pay debt service on the bonds issued under section 24 of this  
9 chapter or to pay lease rentals under section 24 of this chapter; and

10 (2) to establish and maintain a debt service reserve established by  
11 the commission or by a lessor that provides local public  
12 improvements to the commission;

13 shall be transferred to and deposited in the fund and credited to the net  
14 increment account. Money credited to the net increment account is  
15 pledged to the purposes described in subdivisions (1) and (2), subject  
16 to the other provisions of this chapter.

17 (d) On the first business day of October in each year, the remainder  
18 of:

19 (1) eighty percent (80%) of the gross increment; minus

20 (2) the amount credited to the net increment account on the same  
21 date;

22 shall be transferred and credited to the credit account.

23 (e) The remainder of:

24 (1) the gross increment; minus

25 (2) the amounts credited to the net increment account and the  
26 credit account;

27 shall be deposited by the auditor of state as other gross retail and use  
28 taxes are deposited.

29 (f) A city described in section 1(2), 1(3), or 1(4) of this chapter may  
30 receive not more than fifty percent (50%) of the net increment each  
31 year. During the time a district exists in a city described in section ~~1(2)~~,  
32 1(3) or 1(4) of this chapter, not more than a total of one million dollars  
33 (\$1,000,000) of net increment may be paid to the city described in  
34 section ~~1(2)~~, 1(3) or 1(4) of this chapter. **During each year that a**  
35 **district exists in a city described in section 1(2) of this chapter, not**  
36 **more than one million dollars (\$1,000,000) of net increment may be**  
37 **paid to the city described in section 1(2) of this chapter.**

38 (g) The auditor of state shall disburse all money in the fund that is  
39 credited to the net increment account to the commission in equal  
40 semiannual installments on November 30 and May 31 of each year.

41 SECTION 26. IC 36-7-26-24, AS AMENDED BY P.L.185-2001,  
42 SECTION 9, AND AS AMENDED BY P.L.291-2001, SECTION 203,  
43 IS AMENDED AND CORRECTED TO READ AS FOLLOWS  
44 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 24. (a) The  
45 commission may issue bonds, payable in whole or in part, from money  
46 distributed from the fund to the commission, to finance a local public  
47 improvement under IC 36-7-14-25.1 or may make lease rental  
48 payments for a local public improvement under IC 36-7-14-25.2 and  
49 IC 36-7-14-25.3. The term of any bonds issued under this section may  
50 not exceed twenty (20) years, nor may the term of any lease agreement  
51 entered into under this section exceed twenty (20) years. The

commission shall transmit to the board a transcript of the proceedings with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in connection with the bonds or the lease rentals.

(b) On January 15 of each year, the commission shall remit to the treasurer of state the money disbursed from the fund that is credited to the net increment account that exceeds the amount needed to pay debt service or lease rentals and to establish and maintain a debt service reserve under this chapter in the prior year and before May 31 of that year. Amounts remitted under this subsection shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(c) The commission in a city described in section 1(2) of this chapter may ~~only~~ distribute money from the fund *only* for **the following:**

- (1) Road, interchange, and right-of-way improvements. ~~and for~~
- (2) **Acquisition costs of a commercial retail facility and for** real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (3) **Demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.**
- (4) **For physical improvements or alterations of property that enhance the commercial viability of the district.**

(d) The commission in a city described in section 1(3) of this chapter may distribute money from the fund only for the following purposes:

- (1) For road, interchange, and right-of-way improvements and for real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (2) For the demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.

(e) The commission in a city described in section 1(4) of this chapter may distribute money from the fund only for the following purposes:

- (1) For:
  - (A) the acquisition, demolition, and renovation of property; and
  - (B) site preparation and financing;
 related to the development of housing in the district.
- (2) For physical improvements or alterations of property that enhance the commercial viability of the district."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1195 as reprinted February 26, 2002.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1195**

**S**igned by:

---

Representative Bauer  
Chairperson

---

Senator Borst

---

Representative Espich

---

Senator Hume

**House Conferees**

**Senate Conferees**